



BellSouth Telecommunications, Inc.
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REC'D TN
REGULATORY AUTH.

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July 23, 1999

Guy M. Hicks
General Counsel

OFFICE OF THE
EXECUTIVE SECRETARY

VIA HAND DELIVERY

David Waddell, Executive Secretary
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, TN 37238

Re: *Toll Free Dialing Service Tariff*
Docket No. 99-00406

Dear Mr. Waddell:

Enclosed are the original and thirteen copies of BellSouth Telecommunications, Inc.'s Data Request Responses. Copies of the enclosed are being provided to counsel of record for all parties.

Very truly yours,

Guy M. Hicks

GMH:ch
Enclosure

BellSouth Telecommunications, Inc
TN Docket No. 99-00406
TRA First Data Requests
Filed: July 7, 1999
Item No. 1
Page 1 of 1

REQUEST: The total costs incurred by BellSouth as a result of a TFD subscriber terminating month-to-month service. Please specify the type and amount of costs incurred.

RESPONSE: BellSouth has not performed a cost study for a TFD subscriber terminating month-to-month service. However, in an effort to be responsive, please see the response to Item No. 3.

BellSouth Telecommunications, Inc
TN Docket No. 99-00406
TRA First Data Requests
Filed: July 7, 1999
Item No. 2
Page 1 of 1

REQUEST: The total costs incurred by BellSouth as a result of a TFD subscriber terminating a term length plan. Please specify the type and amount of costs incurred and if the costs incurred by BellSouth increase, decrease or remain the same throughout the term plan.

RESPONSE: BellSouth has not performed a cost study for TFD subscriber terminating a term length plan. However, in an effort to be responsive, please see the response to Item No. 3.

REQUEST: Under any termination scenario, will the proposed termination charges for TFD customers subscribing to term plans recover an amount in excess of the costs identified in (2) above. If so, please discuss the rationale for recovering an amount in excess of the costs incurred.

RESPONSE: See Response to Item 2, above. A customer has four options for subscribing to this service. The month-to-month option does not require any commitment from the customer and may be terminated at any time without paying a termination charge. On the other hand, to obtain a discount of 5%, 8% or 11% off the basic rates for the service, a customer may commit to a 12-, 24- or 36-month term.

When the customer terminates service prior to completing the contract period it chose, the revenue commitment has not been fulfilled. The basis of the termination liability charge described in the proposed tariff is to recover the remaining revenue the customer committed to pay the Company when it entered into the contract in exchange for receiving the discounted monthly rates.

The early termination provisions provide reasonable incentives for the customer to honor the term of the agreement in return for BellSouth's commitment to honor the level of discounts over the same term.

REQUEST: The total long-run incremental cost of providing TFD Service. This calculation should include the average per minute cost of providing TFD. Please specify separately all costs associated with providing TFD Service.

RESPONSE: BellSouth has not performed cost studies to determine the long-run incremental cost of providing Add-On TFD Service. The cost of Option/Open TFD Service can provide a reasonable surrogate for the cost of Add-On TFD Service. BellSouth's most recent cost study for Option/Open TFD Service produced a long-run incremental cost of \$0.013857 per minute. This cost represents the weighted average of first and additional minutes for network usage generated by Option/Open TFD service. The cost study referenced was produced with the Network Cost Analysis Tool (NCAT) and is dated May 12, 1995.